

RECORDATION NO. 27295-E FILED

SEP 15 '10 -11 00 AM

**SURFACE TRANSPORTATION BOARD**

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ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1984)

September 15, 2010

Chief  
Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20423

Dear Section Chief,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Full Service Railcar Lease, dated as of June 29, 2010, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Mortgage previously filed with the Board under Recordation Number 27295.

The names and addresses of the parties to the enclosed document are

Lessor: Babcock & Brown Rail Funding LLC  
885 Second Avenue, 49th Floor  
New York, NY 10017

Lessee: Iowa Interstate Railroad, Ltd  
800 Webster Street  
Iowa City, IA 52240

Section Chief  
September 15, 2010  
Page 2

A description of the railroad equipment covered by the enclosed document is:

100 covered hopper railcars within the series IAIS 3500 - IAIS 3897 (previously bearing FLIX reporting marks) as more particularly set forth in the attachment to the document.

A short summary of the document to appear in the index is:

Memorandum of Full Service Railcar Lease.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/sem  
Enclosures

SEP 15 '10 -11 00 AM

## MEMORANDUM OF FULL SERVICE RAILCAR LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF FULL SERVICE RAILCAR LEASE dated as of this 29<sup>th</sup> day of June, 2010 to that certain Master Full Service Railcar Lease dated as of January 4, 2010 between BABCOCK & BROWN RAIL FUNDING LLC, a Delaware limited liability company (the "Lessor") and IOWA INTERSTATE RAILROAD LTD., a Delaware corporation (the "Lessee"), is made by the Lessor and the Lessee (the Lessor and together with the Lessee, the "Parties")

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, Lessor and the Lessee entered into that certain Master Full Service Railcar Lease dated as of January 4, 2010 and Schedule No. 01 thereto dated as of the same date,

WHEREAS, the Parties have entered into Schedule No. 02 dated as of June 29, 2010 covering the equipment listed on Exhibit A hereto (the "Cars") and wish to show for the public record the existence of the Schedule No. 02 and the respective interests therein of the Parties and accordingly, the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date set forth below.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Cars to the Lessee in accordance with the terms and conditions of the Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Full Service Railcar Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Full Service Railcar Lease to be executed by a duly authorized officer as of the day and year as set forth below

BABCOCK & BROWN RAIL FUNDING LLC, as Lessor

By: Gregg Horn  
Name: Gregg Horn  
Title: Vice President  
Date: 6/29/10

IOWA INTERSTATE RAILROAD LTD., as Lessee

By: McBuckert  
Name: McBuckert  
Title: VP - ops  
Date: 6/25/10

STATE OF New York )  
COUNTY OF New York ) SS:

On 6/29/10, before me, Indra Bedasie, Notary Public, personally appeared George Stone, personally known to me to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal

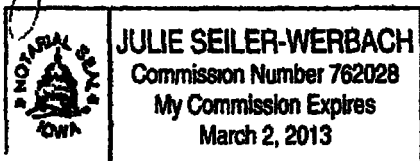
Indra Bedasie

INDRA BEDASIE  
Notary Public, State of New York  
No 01BE6014602  
Qualified in Queens County  
Certificate Filed in New York County  
Commission Expires October 19, 2012

STATE OF Iowa )  
 )  
 ) SS:  
COUNTY OF Linn )

On June 25, 2010, before me, Julie Seiler Werbach, Notary Public, personally appeared Mick Burkart, personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal



**EXHIBIT A**  
**MEMORANDUM OF FULL SERVICE RAILCAR LEASE**

**Quantity/ Car Description**

One hundred (100) 5161 CF covered hopper railcars, 286,000 GRL capacity, AAR Car Type Code C114, with trough hatches and gravity outlet gates, built by Trinity Industries in 1996.

**Reporting Marks and Numbers**

IAIS 3500	IAIS 3691	IAIS 3823
IAIS 3510	IAIS 3696	IAIS 3824
IAIS 3511	IAIS 3712	IAIS 3829
IAIS 3512	IAIS 3714	IAIS 3830
IAIS 3517	IAIS 3716	IAIS 3831
IAIS 3524	IAIS 3723	IAIS 3832
IAIS 3531	IAIS 3724	IAIS 3835
IAIS 3534	IAIS 3726	IAIS 3837
IAIS 3535	IAIS 3729	IAIS 3838
IAIS 3565	IAIS 3730	IAIS 3842
IAIS 3569	IAIS 3735	IAIS 3844
IAIS 3574	IAIS 3741	IAIS 3845
IAIS 3578	IAIS 3747	IAIS 3846
IAIS 3582	IAIS 3753	IAIS 3847
IAIS 3591	IAIS 3754	IAIS 3850
IAIS 3593	IAIS 3755	IAIS 3858
IAIS 3597	IAIS 3762	IAIS 3863
IAIS 3599	IAIS 3767	IAIS 3864
IAIS 3606	IAIS 3768	IAIS 3868
IAIS 3621	IAIS 3771	IAIS 3869
IAIS 3622	IAIS 3773	IAIS 3873
IAIS 3623	IAIS 3774	IAIS 3876
IAIS 3630	IAIS 3779	IAIS 3877
IAIS 3634	IAIS 3781	IAIS 3878
IAIS 3637	IAIS 3784	IAIS 3880
IAIS 3648	IAIS 3786	IAIS 3881
IAIS 3652	IAIS 3794	IAIS 3883
IAIS 3672	IAIS 3798	IAIS 3890
IAIS 3674	IAIS 3802	IAIS 3892
IAIS 3675	IAIS 3803	IAIS 3893
IAIS 3678	IAIS 3806	IAIS 3895
IAIS 3684	IAIS 3812	IAIS 3897
IAIS 3686	IAIS 3815	
IAIS 3689	IAIS 3819	

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: \_\_\_\_\_

9/15/10



\_\_\_\_\_  
Robert W. Alvord